

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2008-251-E - ORDER NO. 2014-38  
JANUARY 8, 2014

|  |   |                  |
|--|---|------------------|
| IN RE: Application of Duke Energy Progress,  | ) | ORDER APPROVING  |
| Incorporated (f/k/a Carolina Power and Light | ) | REVISED DEMAND   |
| Company d/b/a Progress Energy Carolinas,     | ) | RESPONSE         |
| Incorporated) for the Establishment of       | ) | AUTOMATION RIDER |
| Procedures for DSM/EE Programs               | ) | DRA-4            |

This matter comes before the Public Service Commission of South Carolina (“the Commission”) on the request by Duke Energy Progress, Inc. (“DEP” or “the Company”) for approval of its revised Demand Response Automation Rider DRA-4 Experimental tariff (“DRA”). DRA was initially approved on an experimental basis by Commission Order No. 2009-374, dated June 26, 2009, in Docket No. 2009-190-E.

DRA deals with two demand response options – the Emergency Generator Option and the Curtailable Option. According to DEP’s filing, the DRA Program was originally projected to achieve an initial curtailable load capability of 50 MW within five years of Commission approval, but has since encountered major barriers to participation associated with opt-out eligibility and a 2010 EPA regulation impacting use of customer-owned backup generators in utility demand response (“DR”) programs. In response to the regulation, referred to as the RICE (Reciprocating Internal Combustion Engines) NESHAP (National Emission Standards for Hazardous Air Pollutants) Rule, DEP states that it has developed a DR strategy to minimize the impact on resource availability that

includes creation of a new DRA Emergency Generator Option that will be dispatched only under Energy Emergency Alert Level 2 as stipulated in the rule. This option allows for continued program participation without the requirement of installing expensive controls to meet new stringent emissions standards.

Additionally, DEP states that incentives for the existing DRA option, now called the Curtailable Option, have been adjusted to better align with avoided costs, to avoid motivating generator customers to select the Emergency Generator Option by default, and to make the option more competitive with other DR offerings. Further, DEP notes that the 200 kW minimum peak demand requirement has also been removed in an effort to expand the qualifying customer base that can deliver the minimum 75 kW of curtailable demand. The Office of Regulatory Staff (“ORS”) has no objection to the Company’s proposed revisions.

S.C. Code Ann. Section 58-27-870(F) (Supp. 2013) authorizes this Commission to allow tariffs to be put into effect without notice and hearing when such tariffs are for experimental purposes. The revisions before us are clearly to an experimental tariff, therefore the Commission will rule on the proposed revisions without notice and hearing.

This Commission has examined this matter and we hereby approve the proposed revisions to the tariff as filed. We believe that the revisions will allow continued customer participation in the tariff in light of the new EPA regulation. We also note that the revisions will better align incentives with avoided costs, and that the revisions make the option more competitive with other demand response offerings. The Company shall

file the revised tariff in the Commission's electronic tariff filing system within ten (10) days of its receipt of this Order.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
G. O'Neal Hamilton, Chairman

ATTEST:

  
Nikiya Hall, Vice Chairman

(SEAL)